

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN MASON COUNTY)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO. 89-137
CONSTRUCT, FINANCE AND INCREASE RATES)	
PURSUANT TO KRS 278.023)	

O R D E R

On May 18, 1989, Western Mason County Water District ("Western Mason") filed an application for a Certificate of Public Convenience and Necessity to construct a \$695,000 waterworks improvement project, for approval of its plan of financing for this project, and adjustments to its water service rates. Western Mason's application was made pursuant to KRS 278.023, which requires the Commission to approve the application within 30 days of satisfactory completion of the minimum filing requirements.

This project consists of improvements to the existing facilities, and construction of two new water storage tanks. Project funding includes a \$350,000 loan from the Farmers Home Administration ("FmHA"), and a \$345,000 grant from FmHA. The loan will be for a 40-year period at an interest rate of 6 percent per annum.

The chairman of Western Mason certifies that reliable and adequate service can be maintained throughout the expanded system after completion of the proposed construction. The Commission reminds Western Mason of its obligation to provide adequate and

reliable service to all of its customers. The adequacy of the expanded water distribution system after construction should be monitored. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 6(1), Western Mason must take necessary actions to maintain the level of service in conformance with the regulations of the Commission.

On review of the record and being advised, the Commission finds:

1. Pursuant to KRS 278.023, the Commission has no discretionary authority to modify or reject any portion of this application. The application must be approved if the minimum filing requirements have been satisfactorily completed.

2. The minimum filing requirements have been met in this case on June 13, 1989. Western Mason's chairman has certified that the project has been designed to meet the construction and operating standards set out in the Commission's regulations.

3. Western Mason should monitor the adequacy of the expanded water distribution system after construction. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 6(1), Western Mason should take immediate action to bring the system into compliance with the Commission's regulations.

4. Western Mason should be granted a Certificate of Public Convenience and Necessity for the proposed construction project. The proposed construction financing plan with FmHA should also be approved.

5. Western Mason should file with the Commission, within 60 days of the date of substantial completion of this construction, a copy of the "as-built" drawings and a certified statement from its engineer that the construction has been satisfactorily completed in accordance with the contract plans and specifications.

6. The rates set out in Appendix A, attached and incorporated hereto, are the rates approved for Western Mason for services rendered on and after the date of this Order.

7. Western Mason should file its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

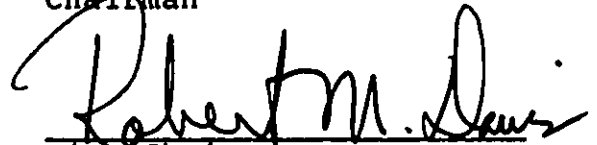
BE IT SO ORDERED.

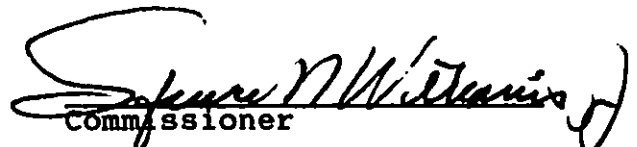
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 16th day of June, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-137 DATED June 16, 1989.

The following rates and charges are prescribed for the customers in the area served by Western Mason County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Usage Increment

First 1,500 gallons
Next 1,500 gallons
Next 1,000 gallons
Next 6,000 gallons
Over 10,000 gallons

Monthly Rate

\$7.50 Minimum Bill
2.50 per 1,000 gallons
1.50 per 1,000 gallons
1.25 per 1,000 gallons
1.00 per 1,000 gallons

Bulk Sales

\$2.00 per 1,000 gallons

Service Connection Charges

5/8 Inch Meter
All Other Sizes

\$500
Actual Cost